



Innovation Showcase: Contracting with Canada

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Canadian Commercial Corporation
Corporation Commerciale Canadienne

Canada

Common Myths about Contracting with Canadian Industry

1. Canada is an international industry
2. It is hard to contract with Canada
3. Canadian Suppliers must have a presence in US



Who We Are: Canada's foreign
military sales agency



Defense Production Sharing Agreement (DPSA)

In 1956, the United States and Canada sign the **Defense Production Sharing Agreement (DPSA)**, naming CCC as Canada's designated contracting authority for the agreement.

Primary Objectives of *DPSA Program*

1

Bring U.S. DoD and Canadian suppliers together through contracts based on mutually beneficial terms and conditions

2

Guarantee the credibility and performance of Canadian suppliers awarded U.S. DoD contracts

3

Provision of pre and post contract services to **effectively deliver financial and time efficiencies to U.S. DoD**

Supporting Legislative and Bilateral Agreements

DFARS 225.870 - Contracting with Canadian Suppliers

DFARS 225.870-4(a) – Purchases from Canadian suppliers shall be made through CCC

DFARS 225.870-1a - Contracts endorsed by and awarded to CCC have a guarantee of performance by the Government of Canada

DFARS 215.403-I (c)(4)(C) - Waiver of requirements for submission of cost or pricing data when contracting through CCC.

DFARS 225.872-1 - Waiver of Buy America Act for Canadian materials and supplies used in defense equipment.

DFARS 252.225-7013 - Most Canadian products imported into the U.S. for defense are exempt from U.S. customs duties.

Applies to all US DoD contracts over simplified threshold of \$250K USD

Domestic Industrial Base

- [DFARS 225.870-1](#) Canada is part of the defense industrial base
- [50 USC 4552 \(7\)](#) “Domestic source” means a business concern that performs in the United States or Canada
- [GAO/NSIAD-94-74](#) Since its reactivation in 1985, DoD’s DPA Title III has considered Canada to be a “domestic source” as a matter of policy

Reciprocal Defense Agreement

- [ASD\(A\) - DPC - Contract Policy \(osd.mil\)](#) International Contracting -Reciprocal Defense Procurement and Acquisition Policy Memoranda of Understanding – #4 Canada -

Reciprocal Security Arrangement

- [International \(dcsa.mil\)](#)
- [Security requirements for contracting with the Government of Canada – Canada.ca \(tpsgc-pwgsc.gc.ca\)](#)

Canada's foreign military sales agency

- CCC is the conduit to a reliable extended North American defence industrial base.
- Contracting with Canada is governed by the *U.S.-Canada Defense Production Sharing Agreement (1956)*.
- DFARS 225.870 states contracts over the simplified acquisition threshold of USD\$250,000 with Canadian suppliers are to be awarded through the CCC.



\$2.5B

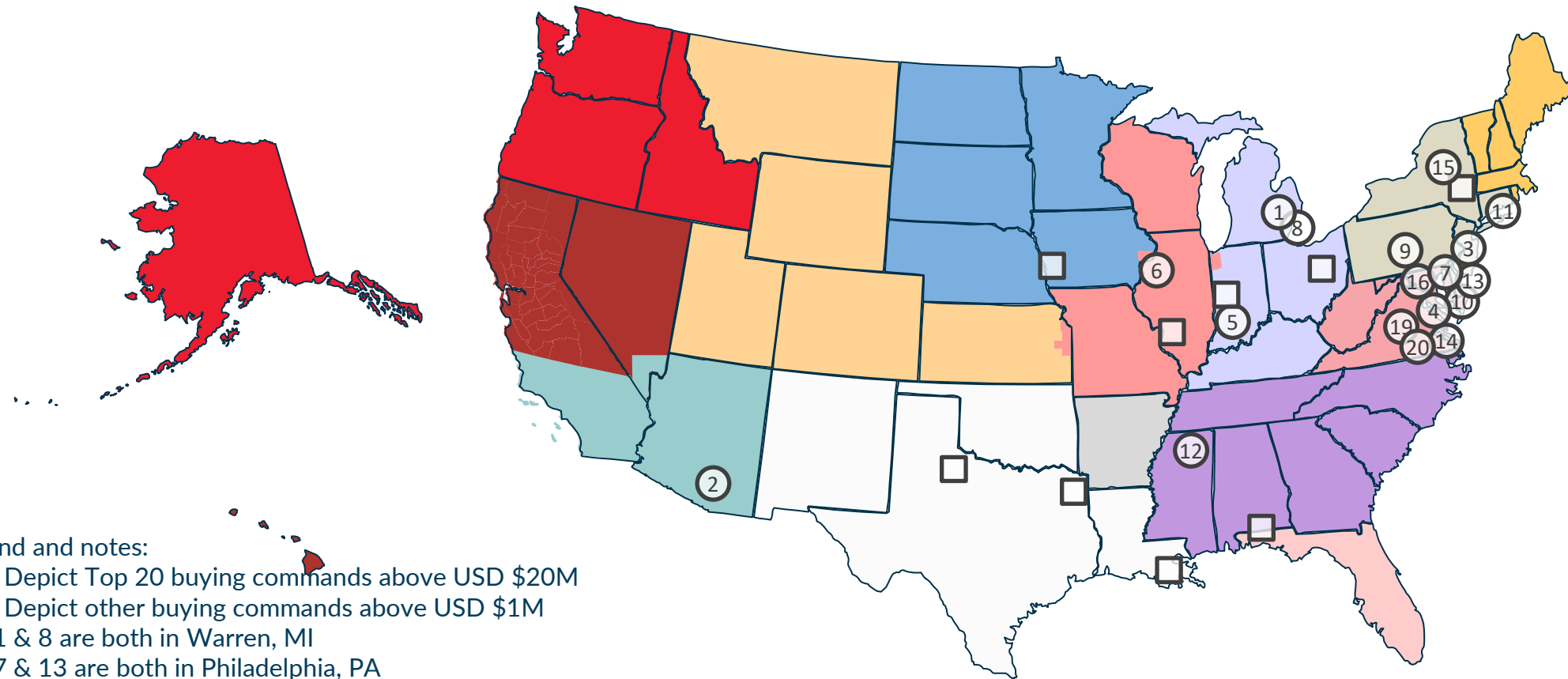
Total value of contracts we delivered in 2021-22

\$868M

Value of new contracts signed with U.S. DoD in 2021-22

Geographical Reach

Under the DPSA, **\$5.6B** in active contracts with approximately **80** buying commands



Legend and notes:

- ① Depict Top 20 buying commands above USD \$20M
- Depict other buying commands above USD \$1M
- i. 1 & 8 are both in Warren, MI
- ii. 7 & 13 are both in Philadelphia, PA
- iii. 16, 17, and 18 are in Washington, DC

Success Metrics



2,300

Current contract volume of active contracts (including orders)

2,200

Recent volume of new contracts / orders / amendments per annum

35

CCC staff assigned to DPSA contracting (~ 120 total staff)

\$1.2B

Current outstanding deliveries (CAD \$)

5,000

Recent volume of invoices processed per annum

Myth Buster

Canada is considered part of the domestic industrial base

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Myth Buster

Contracting with Canada is entrenched in the DFARS and the Buy America Act is not applied to the defence sector

- [DFARS 225.870 - Contracting with Canadian Suppliers](#)



Myth Buster

A Canadian Supplier is not required have an American presence to sell to the US DoD as they considered part of the domestic industrial base

- [50 USC 4552 \(7\)](#) "Domestic source" means a business concern that performs in the United States or Canada



Key Takeaways

- The DPSA program operates at no cost to both Industry and the US DoD
- The DPSA gives Canadian firms privileged access to the US market
- CCC is proactive in our engagement with DoD on these agreements that support the interchangeability of equipment necessary for the defense of United States and Canada
- CCC assesses a supplier's capabilities in meeting the terms of a U.S. DoD contract and pricing to provide value for money for U.S. DoD Acquisition ecosystem
- Government of Canada guarantee that goods/services will be completed in accordance with the contract terms and conditions, reduces procurement risks for U.S. DoD

Next Steps

If you have any questions, I will be available at the **Canada Pavilion #2431**.

Contact Us

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